

The management accounts for the month of September 2013 are attached. Also attached is the 6m reforecast for the year 2013-14.

### 1. Income and expenditure to 30 Sep 2013

September management accounts show income for the first six months of £12,454k, operating expenditure of £11,283k and a total surplus £1,305k, £1,176k greater than budgeted. This is principally due to lower than budgeted operating expenditure by £988k, affecting several departments but particularly Fitness to Practice (£679k below budget).

### 2. Statement of Financial Position at 30 Sep 2013

The cash balance at the end of September was £16.0m, an increase since 1 April of £378k. Deferred income at 30 September was £16.0m.

### 3. Funds under management

At the end of Sep 2013, £6.6m was held in short term accounts at Lloyds and NatWest, earning 1.25% and 0.50%.

The following have been invested for longer periods at fixed rates:

£2m in a Lloyds deposit account earning 2.6% (1 year to 28.10.13) and

£2m in a Santander deposit account earning 2.5% (1 year to 03.02.14).

£1.5m in a Santander deposit account earning 1.4% (1 year to 11.07.14)

### 4. 6 month reforecast for the year 2013-14

The 6 month reforecast for the year shows total income of £24,769k, operating expenditure of £23,631k and an operating surplus of £250k, an increase of £394k compared to budget. This is principally due to lower than budgeted operating expenditure by £333k, with most departments showing changes but significant savings in Fitness to Practice and Facilities Management (£276k and £139k below budget respectively).

Cash balances are forecast to be £14,040k at the year end, £5,131k better than budget. Deferred income is forecast to be £15,863k, £5,332k greater than budget.

### 5. Procurement

We are currently progressing with procurement processes for legal services and for printing services. Procurement for recording and transcription services is to be re-run following agreement with the existing supplier over the disputed original process. Preparatory work is being undertaken on three others. A draft procurement policy is included on the Agenda for Finance and Resources Committee in November.

### 6. Staffing

Staff complement has been increased by one for a temporary period of six months to cover additional work and holidays in Transactions and on the purchase ledger.

### 7. Internal audit

Mazars conducted an internal audit of core financial controls During August and their report gave substantial assurance on the effectiveness of internal controls. There were three recommendations – none fundamental, one significant and two housekeeping.

<b>Date</b>	<b>Ver.</b>	<b>Dept/Cmte</b>	<b>Doc Type</b>	<b>Title</b>	<b>Status</b>	<b>Int. Aud.</b>
2012-01-17	a	F&R	RPT	Finance and Facilities Management Department Report	Final DD: None	Public RD: None

# **Management Accounts**

**30 September 2013**

Alan Carr, Interim Director of Finance  
to Finance and Resources Committee

**Management Accounts  
September 2013**

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Commentary for Core Departments  
Income & Expenditure YTD Sept 2013.

Income

Department	Movement YTD	Budget YTD	Variance	%	Comments	Estimated full year effect in £'000
<b>Total Income</b>	12,454,472	12,399,852	(54,620)	0%	Minor variance overall. Shortfalls in Renewal fees (£236k) offset by higher than budgeted International Scrutiny £181k and Graduate Registration £190k fees. By profession, main variances are Social Workers £111k ahead of budget offset by Paramedics (£65k) and OD Practitioners (£47k) behind budget. No significant permanent effect foreseen.	0

Expenditure

Department	Movement YTD	Budget YTD	Variance	%	Comments on key variances	
<b>Chair</b>	32,364	37,914	5,550	15%	Minor Variance.	0
<b>Chief Executive</b>	215,333	189,572	(25,761)	(14%)	£12k Payroll: underspends due to a change in FTE (i.e. Reduction in no_ of posts within dept). £6.7k underspends in travel and subsistence due to timing differences (£38.1k) Professional fees: overspends on legal costs largely due to costs of constitution orders and DOH rehab of offenders as well as one-off costs for "FAST" Business Model review, also (£3.2k) EMT training overspends to be covered from savings on other budget headings over rest of the year.	0
<b>Council</b>	99,641	99,853	212	0%	Nil Variance. Underspends of £12.3k in council committee costs netted against overspends of (£12.3k) in Specific Department costs.	0
<b>Communications</b>	576,613	529,691	(46,922)	(9%)	£13.3k payroll , staff vacancies (£76.4k) communications costs incurred for campaign broadcast, short film production, brochure costs for CPD long and short guide and meet the HPC events, variance is mostly due to timing differences.	13
<b>Depreciation</b>	343,649	342,870	(780)	(0%)	Minor Variance	0
<b>Education</b>	436,317	524,571	88,254	17%	£49.4k Payroll: savings on staff seconded to projects & 1 vacant Executive Officer role. £21.9k Partners: underspends on both annual monitoring & Minor Changes £6k and Approvals £16k due to lower number of visits, expected to reverse.	33
<b>Facilities Management</b>	685,765	726,526	40,761	6%	£13.7k payroll: savings on 1 additional FTE budgeted from 1 April (being covered by security staff) (£55k) office services: small equipment (£43.3k) due to furniture for 186 Kennington Park Road not meeting the capitalisation threshold; and higher than budgeted usage of stationary and other services (£12k) £90.9k property services: underspend is due to credits received from LB Lambeth re business rates £106k, underspends in cleaning to date of £13k and Electricity underspends of Circa £20k offset by higher refurbishment and repairs (£48.1k) due to unbudgeted costs in 186 Kennington Park Rd. Higher than expected costs including (£11.2k) unbudgeted professional fees for valuation appeal	41
<b>Finance</b>	397,206	363,902	(33,304)	(9%)	(£2.4k) Payroll: Overspends due temporary staff covering Finance Director and Management Accountant roles. (£8.1k) Office services: unbudgeted cost of scanning invoices to disc and postage costs. (£8.5k) Professional Fees - Overspends on Taxation advise within the period (£15k) Bank charges overspend due to timing of charges	(33)

## Expenditure

Department	Movement YTD	Budget YTD	Variance	%	Comments on key variances	
<b>Fitness to Practise</b>	5,588,957	6,267,880	678,923	11%	<p><b>£94k</b> payroll: £55.6k of that is a realised saving, while the rest will be used in the financial year to cover maternity cost.</p> <p><b>(£61.1k)</b> Office services: higher than budgeted expenditure on room hire and catering. Forecast to overspend by year-end and budget is currently being revised to reflect this.</p> <p><b>£122.6k</b> professional fees: lower case numbers to date will produce a permanent saving of circa £59.8k</p> <p><b>£76.2k</b> department costs: mainly due to phasing on training although a <b>£29k</b> permanent saving is expected on legal insurance</p> <p><b>£33.2k</b> small project cost: , minimal spend to date is expected to reverse</p> <p><b>£415k</b> partners: lower case numbers to date will produce a permanent saving. Overall costs are in line with 3 month reforecast and expected permanent saving of £223k</p>	(276)
<b>Human Resources</b>	242,591	240,279	(2,312)	(1%)	<p><b>(£14k)</b> Major recruitment drive in period 6, variance due to phasing of staff recruitment budget</p> <p>£12.7k organisational training, slow start to first few months of financial year.</p>	(14)
<b>Human Resources Partners</b>	157,096	197,846	40,750	21%	<p><b>£32.6k partner costs:</b> Lower than budgeted recruitment, legal advice and training cost of partners, activity occurring later than planned.</p>	0
<b>IT Department</b>	681,342	711,237	29,894	4%	<p><b>£8.3k</b> payroll: delays in recruitment compared to budget.</p> <p><b>£27.4k</b> computer costs: underspends on managed web internet services <b>£36.7k</b> due to later than budgeted project work in areas such as Education Build and phasing of remedial testing; <b>(£31.9k)</b> over budget on small hardware due to change in capitalisation policy; <b>£18.5k</b> underspend on NetRegulate support, mainly savings following contract renegotiation.</p> <p><b>(£5.7k)</b> small projects costs incurred earlier than budgeted</p>	0
<b>Major Projects</b>	93,072	121,081	28,009	23%	<p>Costs incurred later than budgeted due to slower than expected start up of projects. Likely to have some full year effect when project portfolio is adjusted.</p>	0
<b>Operations Office</b>	270,038	361,011	90,973	25%	<p><b>£62.7k</b> payroll, 2 vacancies (Personal Assistant and Business Analyst).</p> <p><b>£16.9k</b> Small Projects delayed</p> <p><b>£15.5k</b> training and subscriptions, due to budget phasing.</p>	48
<b>Policy</b>	178,949	194,344	15,394	8%	<p><b>(£13.3k) Communications costs:</b> Over on research due to installment payments, offset by staff secondment to DOH <b>£12k</b> and other phasing differences.</p>	9
<b>Registration</b>	1,143,834	1,217,939	74,105	6%	<p><b>£43k</b> payroll , staff vacancies likely to be used later in the year</p> <p>£18.9k - Partners variance in P6 due to budget phasing, it should even out after the budget reforecast exercise.</p> <p><b>£6.1k</b> underspend in training and subscription within specific department costs, timing differences</p>	0
<b>Secretariat</b>	140,531	144,566	4,035	3%	<p><b>£5k</b> Professional Fees: Underspends on legal advice</p>	0
<b>Operating expenditure</b>	<b>11,283,298</b>	<b>12,271,080</b>	987,782	<b>8%</b>		(179)

## Income and Expenditure

Accounting Period

[Period 6 13-14](#)

Cost Centre Name

[All Cost Centres](#)

Department Name

[All Departments](#)

	Movement	Movement YTD	Budget YTD	Variance YTD	% Variance YTD
Graduate Registration fees	115,614	568,000	378,358	(189,641)	(50)
Readmission fees	1,865	83,035	154,999	71,964	46
Renewal fees	1,829,051	10,883,290	11,119,328	236,038	2
International scrutiny fees	76,440	450,840	269,217	(181,623)	(67)
Grandparenting fees	0	420	0	(420)	
UK scrutiny fees	104,357	467,195	477,951	10,756	2
<b>Registration Income</b>	<b>2,127,327</b>	<b>12,452,779</b>	<b>12,399,852</b>	<b>(52,927)</b>	<b>(0)</b>
Cheque/credit card write offs	2	1,693	0	(1,693)	
<b>Total Income</b>	<b>2,127,329</b>	<b>12,454,472</b>	<b>12,399,852</b>	<b>(54,620)</b>	<b>(0)</b>
Chair	6,920	32,364	37,914	5,550	15
Chief Executive	53,564	215,333	189,572	(25,761)	(14)
Committee	0	0	0	0	
Council	23,419	99,641	99,853	212	0
Communications	104,299	576,613	529,691	(46,922)	(9)
Depreciation	58,925	343,649	342,870	(780)	(0)
Education	61,685	436,317	524,571	88,254	17
Facilities Management	95,565	685,765	726,526	40,761	6
Finance	89,862	397,206	363,902	(33,304)	(9)
Fitness to Practise	965,994	5,588,957	6,267,880	678,923	11
Human Resources	67,946	242,591	240,279	(2,312)	(1)
Human Resources Partners	14,837	157,096	197,846	40,750	21
IT Department	128,112	681,342	711,237	29,894	4
Major Projects	9,013	93,072	121,081	28,009	23
Operations Office	43,221	270,038	361,011	90,973	25
Policy	19,924	178,949	194,344	15,394	8
Registration	196,395	1,143,834	1,217,939	74,105	6
Secretariat	35,149	140,531	144,566	4,035	3
<b>Operating expenditure</b>	<b>1,974,830</b>	<b>11,283,298</b>	<b>12,271,080</b>	<b>987,782</b>	<b>8</b>
<b>Operating Surplus/(Deficit)</b>	<b>152,499</b>	<b>1,171,174</b>	<b>128,772</b>	<b>(1,042,402)</b>	<b>(809)</b>
Payroll costs for secondment to DOH	0	(6,244)	0	6,244	
Investment Income	14,231	127,383	0	(127,383)	
Impairment on Freehold land and buildings	0	0	0	0	
<b>Total surplus/(deficit)</b>	<b>166,729</b>	<b>1,304,801</b>	<b>128,772</b>	<b>(1,176,029)</b>	<b>(913)</b>

1,304,801

## Statement of Financial Position

Account by Category

[All Categories](#)

Accounting Period

[Period 6 13-14](#)

	Balance	Prior Year Balance To Close
<b>Non-Current Assets</b>		
Land & buildings, at cost or valuation	4,021,984	3,196,590
Land & Buildings Depreciation	(14,000)	(0)
	<u>4,007,984</u>	<u>3,196,590</u>
Computer Equipment, at cost	341,558	321,871
Computer equipment Depreciation	(265,350)	(247,291)
	<u>76,208</u>	<u>74,580</u>
Office furniture and equipment, at cost	352,008	245,798
Office Equipment Depreciation	(205,404)	(179,275)
	<u>146,603</u>	<u>66,524</u>
Intangible assets	4,971,184	4,731,600
Intangible Depreciation	(3,798,849)	(3,513,389)
	<u>1,172,334</u>	<u>1,218,211</u>
<b>Total Non-current Assets</b>	<u>5,403,130</u>	<u>4,555,905</u>
<b>Current Assets</b>		
Other current assets	600,051	542,581
Cash & Cash Equivalents	15,962,335	15,583,979
	<u>16,562,386</u>	<u>16,126,560</u>
<b>Total Assets</b>	<u>21,965,516</u>	<u>20,682,465</u>
<b>Current Liabilities</b>		
Trade and other payables	651,253	954,302
Other Liabilities	1,715,464	1,423,848
Deferred Income	16,004,301	16,137,527
	<u>18,371,018</u>	<u>18,515,677</u>
<b>Total Assets Less Liabilities</b>	<u>3,594,498</u>	<u>2,166,788</u>
General fund b/fwd	(2,166,788)	(1,920,740)
This Periods Profit/Loss	(1,304,801)	(7,649)
Grant Income	(122,909)	(238,399)
General fund c/fwd	<u>(3,594,498)</u>	<u>(2,166,788)</u>
Rev Res - Land & Building	0	0
Rev Res - Investments	0	0
Revaluation reserve	<u>0</u>	<u>0</u>
<b>Total</b>	<u>(3,594,498)</u>	<u>(2,166,788)</u>

Does not a  
To be inves



**Management Accounts to 31 August 2013**  
**Summary of Capital Expenditure**

Property

Purchase of Whitefield House- 186 Kennington  
 Project 186 Kennington (not allocated)

Office Equipment

Coffee machines  
 Installation Air Condition Stannary Street  
 Franking machine  
 CCTV  
 Access Control Whitefield House  
 Cable  
  
 Switches

Information Technology

Software Licences  
 Hardware replacement (servers,switches & drives)  
 Hardware new services & starters  
 Software  
 Hard Drive Storage

Major Projects

**Total Capital Expenditure**

	Actual YTD £	Budget 2013/14 YTD £	Variance £	Budget 2013/14 £
	725,000	725,000	-	725,000
	<b>725,000</b>	<b>725,000</b>	-	<b>725,000</b>
	9,840	14,000	4,160	14,000
	77,382	100,000	22,618	100,000
	16,141	-	(16,141)	100,000
	-	10,000	10,000	10,000
	2,845	10,000	7,155	10,000
	-	14,000	14,000	14,000
			0	
	<b>106,208</b>	<b>148,000</b>	<b>41,792</b>	<b>248,000</b>
	82,038	40,000	(42,038)	97,099
	19,687	70,000	50,313	92,000
	-	59,255	59,255	103,510
			0	
			0	
	<b>101,725</b>	<b>169,255</b>	<b>67,530</b>	<b>292,609</b>
	<b>257,940</b>	<b>305,751</b>	<b>47,811</b>	<b>1,152,129</b>
	<b>1,190,873</b>	<b>1,348,006</b>	<b>157,133</b>	<b>2,417,738</b>

**Summary of Project Expenditure**

**Capital expenditure**  
 MP63 HR & Partners System & Process Review Phase 1  
 MP64 Education System Build Project  
 MP67 NetRegulate Changes 2013  
 MP68 Annotation of the register  
 MP70 Project 186 Kennington  
 MP71 Fees Review  
 Other Project Expenditure unallocated

	Actual £ YTD	Budget 2013/14 £ YTD	Variance £	Budget 2013/14 £
	10,152	36,888	26,736	52,940
	73,356	101,115	27,759	129,835
	52,380	40,608	(11,772)	140,000
	21,658	24,840	3,182	24,840
	100,394	100,000	(394)	944,316
	0	2,300	2,300	2,300
			0	1,017,291
	<b>257,940</b>	<b>305,751</b>	<b>47,811</b>	<b>2,311,522</b>

**Management Accounts to 30th September 2013****Cash Flow Statement****From 1st April 2013**

	<b>Forecast</b>	<b>Actual</b>
	£	£
Operating Surplus/(Deficit)		1,171,174
Payroll costs for secondment to DOH		6,244
Depreciation charge for the year of non-current assets		343,649
Decrease/(Increase) in debtors & prepayments		(57,470 )
Increase/(Decrease) in creditors		(11,433 )
(Decrease)/Increase in deferred income		(133,226 )
<b>Net cash In/(out)flow from operating activities</b>	<b>(4,029,140 )</b>	<b>1,318,939</b>
<b>Return on investments and servicing of finance</b>		

Investment Income 127,383

**Taxation****Capital expenditure and financial investments**

Purchase of tangible assets (1,261,788 ) (1,190,873 )

**Financing**

Income from DOH 122,909

**Increase in Cash**

**(5,290,928 ) 378,357**

Cash at 31 March 2013

13,905,000 15,583,979

Cash at 31st August 2013

8,614,072 15,962,335

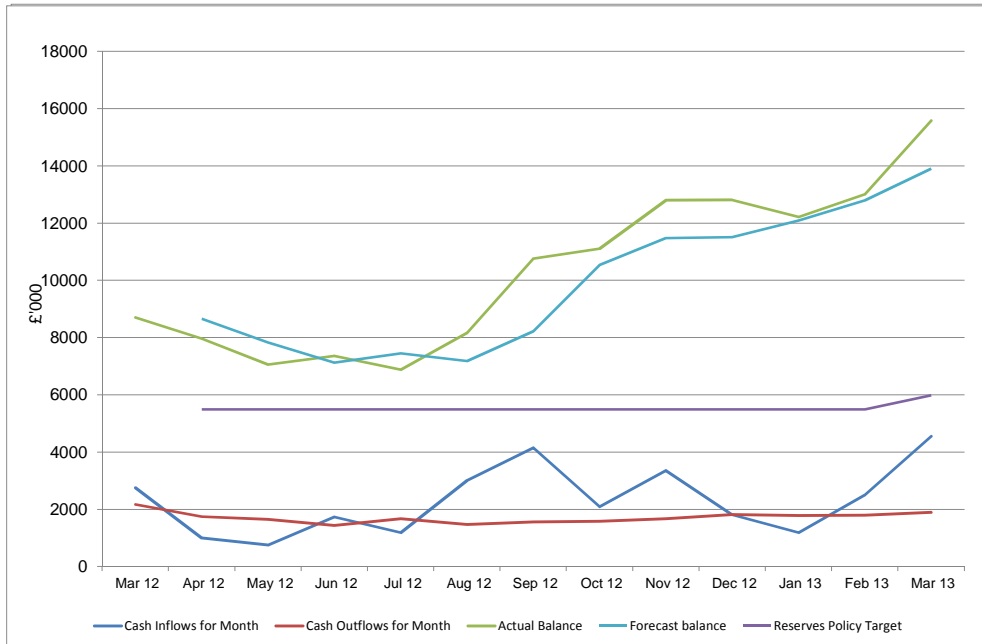
**Cash Movement**

**(5,290,928 ) 378,356**

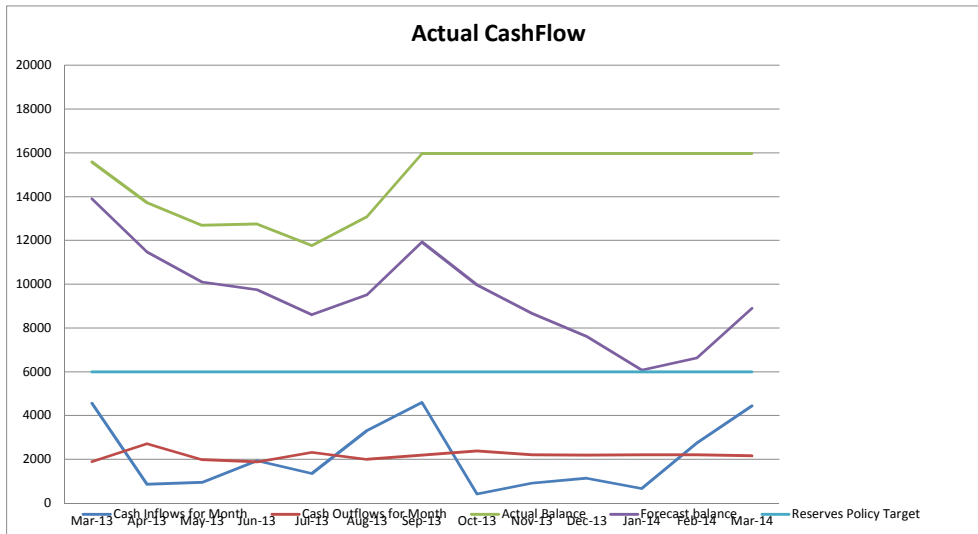
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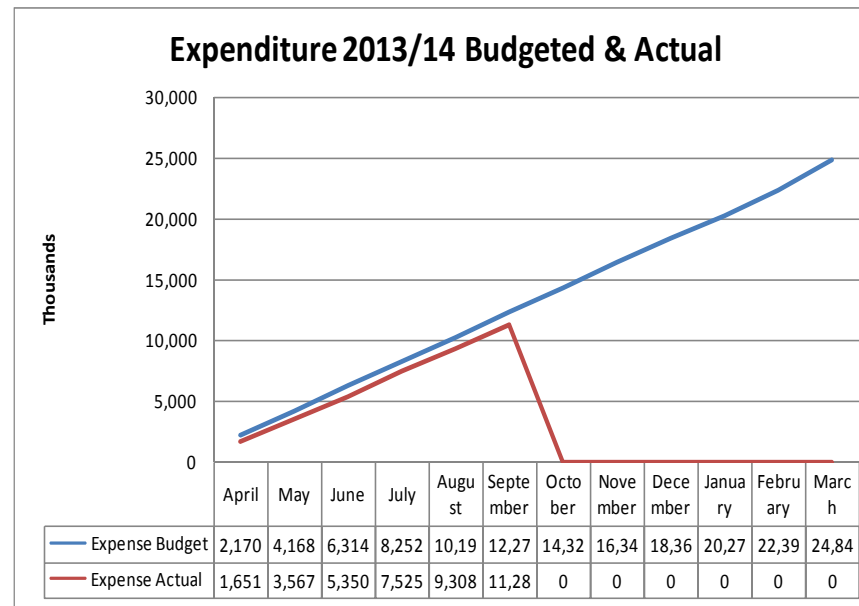
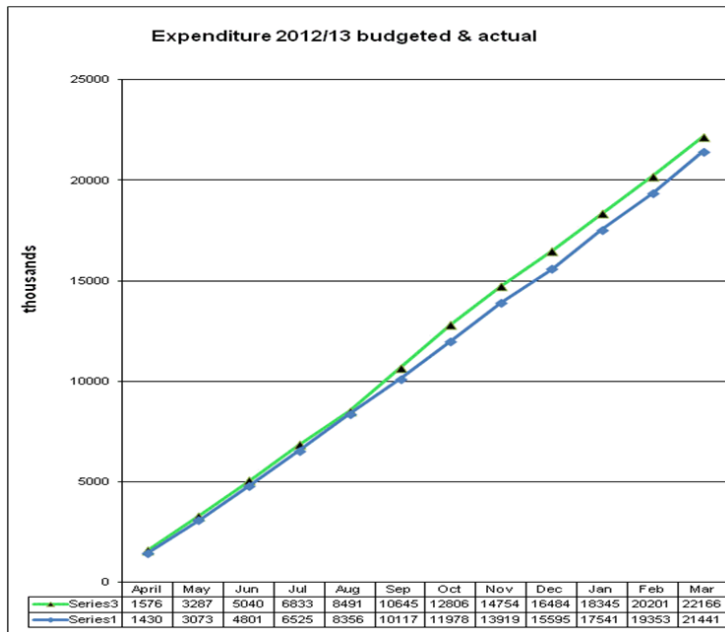
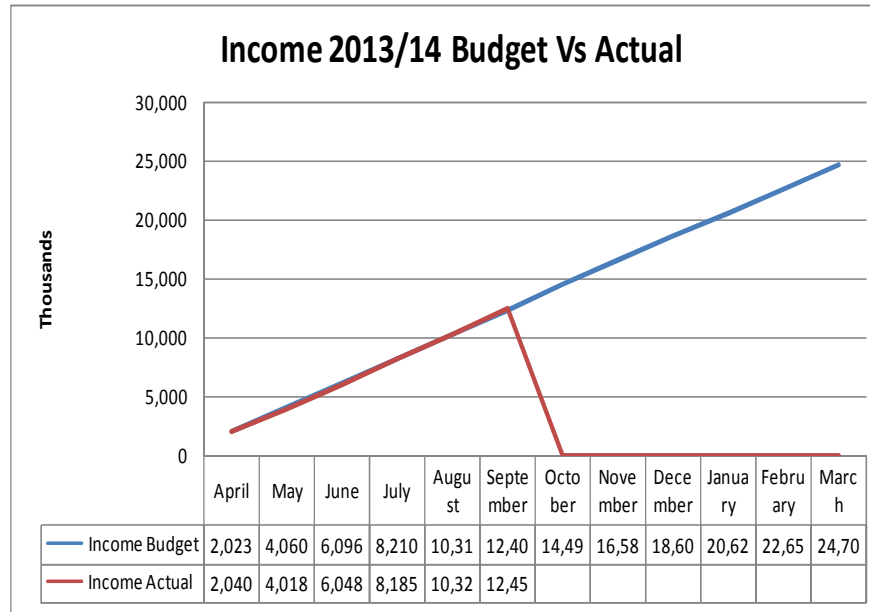
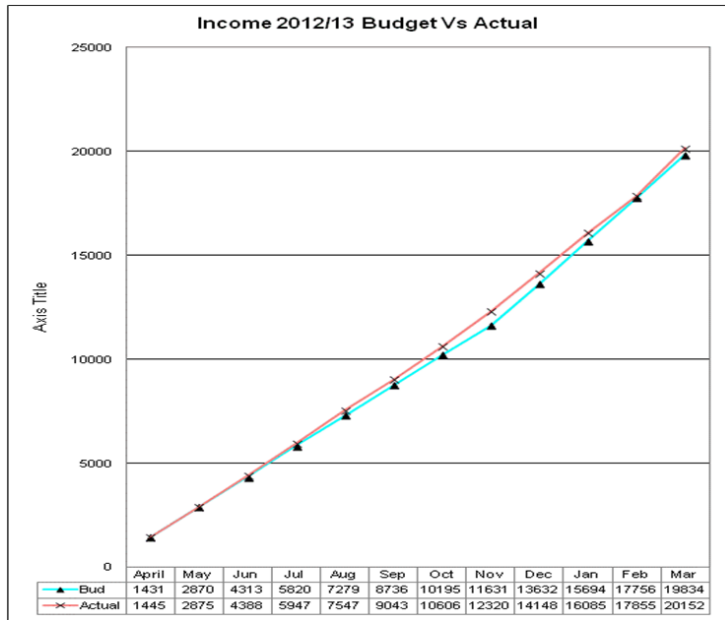
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Actual Cashflow 2012/13.



Cashflow 2013/14,





## **APPENDIX ONE**

### **HEALTH AND CARE PROFESSIONS COUNCIL**

**Month 6 - Reforecast  
For the year ended 31 March 2014**

**HEALTH AND CARE PROFESSIONS  
COUNCIL**

**MONTH 6 REFORECAST FOR YEAR ENDING 31 MARCH 2014**

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**HEALTH AND CARE PROFESSIONS COUNCIL**

**MONTH 6 REFORECAST FOR YEAR ENDING 31 MARCH 2014**

**CHANGES TO KEY ASSUMPTIONS**

**Reforecast**

1. HCPC will undertake up to 13 major projects (2012 : 9)
2. There will be xx approval visits andx annual monitoring assessment days ( 2012: 65 and 6)
3. The total number of allegations is anticipated to be 2851 (2012: 1700). There will be an estimated 1,289 days of hearing (including reviews, appeals and ICP')
4. The number of employees posts will increase to 216 by 31.03.14.(2012 : 186)

**ORIGINAL KEY ASSUMPTIONS**

**Council Approved Budget**

1. HCPC will undertake 15 major projects (2012 : 9)
2. The Income includes a full year register for the Social Workers.
3. 11 professions will commence a new 2 year cycle (2012: 5).
4. There will be 71 approval visits and 8 annual monitoring assessment days ( 2012: 65 and 6)
5. The total number of allegations is anticipated to be 2100 (2012: 1700). There will be an be will be an estimated 1300 days of hearing (including reviews, appeals and ICP')
6. The number of employees will increase to 204 by 31.03.14.(2012 : 186)
7. The overall annual salary increase is 2.6 % (agreed by the Remuneration Committee) (2012 : 1.9%)

## HEALTH AND CARE PROFESSIONS COUNCIL

## MONTH 6 REFORECAST FOR YEAR ENDING 31 MARCH 2014

## INCOME AND EXPENDITURE

	Budget 2013-14 £	Reforecast 2013-14 £	Variance £	Variance %	YTD Actual £
<b>INCOME</b>					
Arts Therapists	271,510	245,324	(26,186)	(11%)	123,613
Biomedical Scientists	1,743,891	1,765,011	21,120	1%	883,939
Chiropractors/ Podiatrists	999,384	977,305	(22,079)	(2%)	492,079
Clinical Scientists	380,700	384,361	3,661	1%	189,867
Dieticians	677,751	652,780	(24,971)	(4%)	329,212
Hearing Aid Dispensers	162,123	154,673	(7,450)	(5%)	76,836
Occupational Therapists	2,624,271	2,696,057	71,786	3%	1,346,557
Operating Department Practitioners	933,610	850,282	(83,328)	(10%)	422,580
Orthoptists	106,284	102,732	(3,552)	(3%)	50,793
Paramedics	1,538,472	1,417,144	(121,328)	(9%)	706,557
Physiotherapists	3,888,167	3,903,025	14,858	0%	1,976,868
Practitioner Psychologists	1,434,703	1,457,633	22,930	2%	730,924
Prosthetists & Orthotists	72,806	78,411	5,605	7%	36,644
Radiographers	2,302,382	2,216,246	(86,136)	(4%)	1,157,030
Speech & Language Therapists	1,134,951	1,117,197	(17,754)	(2%)	556,393
Social Workers	6,436,671	6,750,755	314,084	5%	3,372,887
<b>Registration Income</b>	<b>24,707,676</b>	<b>24,768,935</b>	<b>61,259</b>	<b>(0)</b>	<b>12,452,779</b>
<b>Cheque/credit card adjustments</b>	<b>(3,000)</b>	<b>(3,000)</b>	<b>-</b>	<b>0%</b>	<b>1693</b>
<b>TOTAL INCOME</b>	<b>24,704,676</b>	<b>24,765,935</b>	<b>61,259</b>	<b>0%</b>	<b>12,454,472</b>
<b>EXPENDITURE</b>					
<b>Departments</b>					
Chair	78,833	77,374	(1,459)	(2%)	32,364
Chief Executive	377,444	379,212	1,768	0%	215,333
Council, Committees & PLG	251,528	255,031	3,503	1%	99,641
Communications	1,144,901	1,113,243	(31,658)	(3%)	576,613
Education	1,068,533	1,035,190	(33,343)	(3%)	436,317
Facilities Management	1,453,051	1,314,394	(138,657)	(11%)	685,765
Finance	712,268	811,944	99,676	12%	397,206
Fitness to Practise	12,268,125	11,991,838	(276,287)	(2%)	5,588,957
Human Resources	509,187	611,498	102,311	17%	242,591
Human Resources Partners	430,767	410,705	(20,062)	(5%)	157,096
IT Department	1,418,367	1,447,275	28,908	2%	681,342
Operations Office	685,622	602,591	(83,031)	(14%)	270,038
Policy & Standards	398,177	367,627	(30,550)	(8%)	178,949
Major projects	420,634	396,534	(24,100)	(6%)	93,072
Registration	2,460,640	2,542,866	82,226	3%	1,143,834
Secretariat	285,519	273,340	(12,179)	(4%)	140,531
<b>Operating Expenses</b>	<b>23,963,597</b>	<b>23,630,662</b>	<b>(332,935)</b>	<b>-22%</b>	<b>10,939,649</b>
<b>Departmental Surplus/(Deficit)</b>	<b>741,079</b>	<b>1,135,273</b>	<b>394,194</b>	<b>53%</b>	<b>1,514,823</b>
<b>Other Expenditure</b>					
Depreciation	885,000	885,000	-		343,649
<b>TOTAL OPERATING SURPLUS /(DEFICIT)</b>	<b>(143,921)</b>	<b>250,273</b>	<b>394,194</b>		<b>1,171,174</b>



HEALTH AND CARE PROFESSIONS COUNCIL  
MONTH 6 REFORECAST FOR YEAR ENDING 31 MARCH 2014  
COMMENTARY INCOME & EXPENDITURE

	£	£	£	
INCOME	Budget	Reforecast	Variance	Commentary
Registration Income	24,707,676	24,768,935	61,259	Overall, fee income is forecasted to remain close to budget as experienced in the first six months of the year, although there are variations in the composition. By profession, increases in Social Workers and Occupational Therapists are offset by decreases in Paramedics, Radiographers and Operating Department Practitioners. By activity, Graduate Registration and International Scrutiny fees are forecast to increase, with offsetting decreases in Renewal, UK Scrutiny and Readmission fees.
Cheque/credit card adjustments	(3,000)	(3,000)	0	
<b>TOTAL INCOME</b>	<b>24,704,676</b>	<b>24,765,935</b>	<b>61,259</b>	

DEPARTMENTAL OPERATING EXPENDITURE

Chair	78,833	77,374	(1,459)	The decrease in expenditure reflects savings for fares and conferencing costs in the first six months of the year.
Chief Executive	377,444	379,212	1,768	Higher than anticipated legal and professional fees (-£20k) arising from a number of one-off matters in the first half of the year are offset by savings in payroll costs (+£21k) due to a reorganisation of support staff.
Council, Committees & PLG	251,528	255,031	3,503	The increased expenditure is due to higher than budgeted costs of council appointments, already incurred.
Communications	1,144,901	1,113,243	(31,658)	The forecasted 3% decrease in expenditure is attributable to expected lower than budgeted spending in courier services, travel costs and staff costs, largely already realised in the first six months of the year.
Education	1,068,533	1,035,190	(33,343)	The forecasted 3% decrease in expenditure is primarily due to realised saving in staff costs (+£27k) due to posts seconded to education systems project. Other minor savings include removal of costs associated with the deferred lay visitor programme (+£2k).
Facilities Management	1,453,051	1,314,394	(138,657)	The forecasted 10% decrease in expenditure is primarily due to the successful appeal against rating valuation for Kennington Park Road (+£216k including £95k rebate for prior years). Other savings include £32k on staff costs due to delayed recruitment and vacancies. Offsetting increases in forecast expenditure include office equipment (-£23k) and repairs (-£44k) for 184 KPR; printing and stationary (-£17k) due to higher demand; security (-£13k) to cover staff vacancies; and Stannery Street costs (-£34k) due to higher running costs.
Finance	712,268	811,944	99,676	The forecasted 14% increase in expenditure is attributable to increase in staff costs (-£53k) due to use of temporary staff cover; bank charges (-£29k) due to higher credit card transaction volumes, and office services (-£14k) due to unbudgeted costs for scanning documents on to disc.
Fitness to Practise	12,268,125	11,991,838	(276,287)	The forecast 2% decrease in expenditure arises in part due to reduction in the number of final hearings forecast for this year and a decrease in the anticipated number of final hearings that are expected to adjourn. Although the number of GSCC transfer final hearing cases taking place in the first half of the year was lower than anticipated but this will be compensated in the second half of the year as cases reach the listing and scheduling phase of the process.
Human Resources	509,187	611,498	102,311	The forecasted 20% increase in expenditure arises from an increase in staff costs (-40k) due to maternity cover; increased staff recruitment costs (-£29k); increased legal expenses (-£13k) for complex employment cases; and increased consultancy fees (-£19k) for employee surveys (culture days), pensions auto enrolment advice and life assurance advice.
Human Resources Partners	430,767	410,705	(20,062)	The forecasted 5% decrease in expenditure is due to lower partner costs (-£22k) arising from realised underspends in travel costs from the first half year due to delayed recruitment activity.
IT Department	1,418,367	1,447,275	28,908	The forecasted 2% increase in expenditure can be attributed to increase in staff costs (-£6k) due to need to use contract staff: small hardware (-£45k) due to changes in capitalisation policy; and small project costs (-£10k) for an additional project to tender for data services. Offsetting savings include the costs of the managed web/Internet services (+£21k) and specialist IT services (+£8k) not used in the first 6 months.
Operations Office	685,622	602,591	(83,031)	The forecast 12% decrease in expenditure are largely due to staff cost savings (+£88k) due to staff vacancies and delayed recruitment; and reduced expenditure on training (+£9k); offset by legal advice (-£18k) relating to registration issues, not budgeted.
Policy & Standards	398,177	367,627	(30,550)	The forecasted 8% decrease in expenditure is caused by savings on travel and subsistence (+£8k); underspends in communications costs (+£17k) due to deferring the publication of two sets of standards; and reduced training expenditure (+£5k), already realised.
Major projects	420,634	396,534	(24,100)	The forecast 6% reduction in major project operating expenditure reflects delays in initiating some projects, in particular the registration systems and web platform review projects. However, the education system build project has been rebudgeted leading to higher operating expenditure. A detailed schedule is attached.
Registration	2,460,640	2,542,866	82,226	The forecasted 3% increase in expenditure can be attributed to increases in partner costs (-£78k) and office services costs (-£17k) due to increases in international applications as experienced in the first half year; and a one-off cost for legal advice (-£10k) on a tender process; offset by savings in staff costs (+£23k) due to staff vacancies.
Secretariat	285,519	273,340	(12,179)	The forecasted 4% decrease is principally due to savings in staff costs (+£8k).
<b>TOTAL DEPARTMENTAL OPERATING EXPENDITURE</b>	<b>23,963,597</b>	<b>23,630,662</b>	<b>(332,935)</b>	
Departmental Surplus/(Deficit)	741,079	1,135,273	394,194	

OTHER EXPENDITURE

Depreciation	885,000	885,000	0	Completion of assets now being depreciated.
<b>TOTAL OPERATING SURPLUS /(DEFICIT)</b>	<b>(143,921)</b>	<b>250,273</b>	<b>394,194</b>	

**HEALTH PROFESSIONS COUNCIL****MONTH 6 REFORECAST FOR YEAR ENDING 31 MARCH 2014****HEALTH AND CARE PROFESSIONS COUNCIL  
MONTH 6 REFORECAST FOR YEAR ENDING 31 MARCH 2014  
INCOME BY ACTIVITY**

	<b>Budget 2013-14</b>	<b>Reforecast 2013-14</b>	<b>Variance</b>	<b>Variance</b>	<b>YTD Actual</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>	
<b>Income by Activity</b>					
Graduate Registration fee	657,709	1,145,899	488,190	74%	568,000
Readmission fees	310,000	181,323	(128,677)	(42%)	83,035
Renewal fees	22,223,305	21,767,294	(456,011)	(2%)	10,883,290
International scrutiny fees	567,000	901,942	334,942	59%	450,840
Grandparenting fees	0	420	420	0%	420
UK scrutiny fees	949,662	772,057	(177,605)	(19%)	467,195
	<b>24,707,676</b>	<b>24,768,935</b>	<b>61,259</b>	<b>0%</b>	<b>12,452,779</b>

**HEALTH AND CARE PROFESSIONS COUNCIL  
MONTH 6 REFORECAST BUDGET FOR YEAR ENDING 31 MARCH 2014**

**PROJECT EXPENDITURE**

	Opex	Capex	Opex	Capex	Opex	Capex
	2013-14 Council Budget		2013-14 Reforecast		YTD Actual	YTD Actual
	£	£	£	£	£	£
Education System Build	68,050	526,213	179,223	300,749	44,810	73,356
Annotation of the Register	5,000	10,000	11,238	21,658	11,238	21,658
NetReg 12-13	5,000	45,000	6,900	145,142	1,094	52,380
FTP Changes	10,000	45,000	10,000	45,000		-
186 Kennington Park Road	-	100,000	2,900	239,023		100,394
Professional Indemnity	5,000	41,000	8,598	20,952	554	-
HR & Partners Phase 2	15,000	45,000		-		
In Focus Distribution	10,000	7,750	10,000	7,750		
Online Renewals Review & Change of Payment Pr	55,000	85,000	55,000	85,000		
HR & Partners Phase 1	41,112	36,888	48,612	65,603	20,083	10,152
Reg Systems Review Phase 1	105,397	118,853	24,165	50,958		
Web Platform Review Phase 1	70,500	79,500	24,150	51,490		
Finance Systems Review Phase 1	10,575	11,925		-		
Web deployments	20,000	-	14,748		14,748	
Fees Change Project	TBC	TBC	1,000	4,808		
	<b>420,634</b>	<b>1,152,129</b>	<b>396,534</b>	<b>1,038,133</b>	<b>92,527</b>	<b>257,940</b>

HCPC will undertake 13 major projects

**HEALTH AND CARE PROFESSIONS COUNCIL  
MONTH 6 REFORECAST BUDGET FOR YEAR ENDING 31 MARCH 2014**

**CAPITAL EXPENDITURE**

	Budget	Reforecast	YTD Actual
	£	£	
<u>Project expenditure</u>	<u>1,152,129</u>	<u>1,038,133</u>	<u>257,940</u>
<u>Consultancy - Design Building Purchase</u>	<u>880,000</u>	<u>880,000</u>	
<u>Building Purchase</u>	<u>725,000</u>	<u>725,000</u>	<u>725,000</u>
<u>Computer Equipment</u>			
Software licences upgrades, new starters, new software	40,140	40,140	82,038
Software licences new/replacement services	56,959	56,959	
Hardware replacement servers, switches & drives	92,000	92,000	19,687
Hardware new services	79,000	79,000	
Hardware new starters	24,510	24,510	
	<u>292,609</u>	<u>292,609</u>	<u>101,725</u>
<u>Office equipment</u>			
Vending Machines	14,000	14,000	9,840
Installation of air conditioning to Units Stannary Street	100,000	100,000	77,383
CCTV- Whitfield House	10,000	10,000	
Franking Machine			16,141
Structured cabling - Whitefield House	10,000	10,000	
Access Control -Whitefield House	10,000	10,000	2,845
Dedicated cable link to 33 Stannary Street	14,000	14,000	
	<u>158,000</u>	<u>158,000</u>	<u>106,209</u>
<b>Total Capital expenditure</b>	<b><u>3,207,738</u></b>	<b><u>3,093,742</u></b>	<b><u>1,190,874</u></b>

**HEALTH AND CARE PROFESSIONS COUNCIL  
MONTH 6 REFORECAST FOR YEAR ENDING 31 MARCH 2014  
Cash Flow Statement**

	<b>Budget 2013-14</b>	<b>Reforecast 2013-14</b>	<b>Actual YTD</b>
	£	£	£
Operating Surplus/(Deficit)	(143,921 )	250,273	1,171,174
Payroll costs for secondment to DOH	0	6,224	6,244
Depreciation charge for the year of non-current asset	885,000	885,000	343,649
Decrease/(Increase) in debtors & prepayments	0	(80,000 )	(57,470 )
Increase/(Decrease) in creditors	408,000	200,000	(11,433 )
(Decrease)/Increase in deferred income	(3,960,000 )	(275,000 )	(133,226 )
<b>Net cash In/(out)flow from operating activities</b>	<b>(2,810,921 )</b>	<b>986,497</b>	<b>1,318,939</b>
<b>Return on investments and servicing of finance</b>			
Investment Income	0	240,000	127,383
<b>Taxation</b>	0	0	0
<b>Capital expenditure and financial investments</b>			
Purchase of tangible assets	(2,185,000 )	(2,893,742 )	(1,190,873 )
<b>Financing</b>			
Income from DOH	0	122,909	122,909
<b>Increase in Cash</b>	<b>(4,995,921 )</b>	<b>(1,544,336 )</b>	<b>378,356</b>
Cash at 31 March 2013	13,905,000	15,583,979	15,583,979
Closing cash	8,909,079	14,039,643	15,962,335
<b>Cash Movement</b>	<b>(4,995,921 )</b>	<b>(1,544,336 )</b>	<b>378,356</b>

**HEALTH AND CARE PROFESSIONS COUNCIL  
MONTH 6 REFORECAST FOR YEAR ENDING 31 MARCH 2014  
STATEMENT OF FINANCIAL POSITION AT 31 MARCH**

	Budget 2013/14		Reforecast 2013/14		YTD Actual
	2013 £000's	2014 £000's	2013 £000's	2014 £000's	30-Sep-13 £000's
<b>Non Current Assets</b>	4,600	5,900	4,556	6,565	5,402
<b>Current Assets</b>					
Other	400	400	561	640	600
Cash	13,905	8,909	15,584	14,040	15,962
<b>Total Assets</b>	<u>18,905</u>	<u>15,209</u>	<u>20,701</u>	<u>21,245</u>	<u>21,964</u>
<b>Current Liabilities</b>					
Other	2,100	2,508	2,085	2,327	2,096
Deferred Income	14,900	10,940	16,138	15,863	16,004
	<u>17,000</u>	<u>13,448</u>	<u>18,223</u>	<u>18,190</u>	<u>18,100</u>
<b>Liabilities greater than one year</b>			<u>314</u>	<u>272</u>	<u>272</u>
<b>Total Assets Less Liabilities</b>	<u>1,905</u>	<u>1,761</u>	<u>2,164</u>	<u>2,783</u>	<u>3,592</u>
<b>General Fund</b>					
Brought Forward	1,921	1,905	1,919	2,164	2,164
Period result	(256)	(144)	7	496	1,305
Grant income	240	-	238	123	123
Carried Forward	<u>1,905</u>	<u>1,761</u>	<u>2,164</u>	<u>2,783</u>	<u>3,592</u>